

Amending law
relating to Franchise Tax.

SEC. 3. Amendments to the Franchise Tax Article, Article III, Schedule C.

SUBSECTION (a). Amend Section two hundred and one by rewriting the same as follows:

Corporate privilege taxes.

SEC. 201. Nature of taxes. The taxes levied in this article upon persons and partnerships are for the privilege of engaging in business or doing the act named. The taxes levied in this article upon corporations are privilege or excise taxes levied upon: (1) corporations organized under the laws of this State for the existence of the corporate rights and privileges granted by their charters, and the enjoyment, under the protection of the laws of this State, of the powers, rights, privileges and immunities derived from the State by the form of such existence; and (2) corporations not organized under the laws of this State for doing business in this State and for the benefit and protection which such corporations receive from the government and laws of this State in doing business in this State.

The term "corporation" as used in this article shall, unless the context clearly requires another interpretation, mean and include not only corporations but also associations or joint stock companies and every other form of organization for pecuniary gain, having capital stock represented by shares, whether with or without par value, and having privileges not possessed by individuals or partnerships; and whether organized under, or without, statutory authority.

Defining "doing business."

When the term "doing business" is used in this article, it shall mean and include each and every act, power or privilege exercised or enjoyed in this State, as an incident to, or by virtue of the powers and privileges acquired by the nature of such organization whether the form of existence be corporate, associate, joint stock company or common law trust.

If the corporation is organized under the laws of this State, the payment of the taxes levied by this article shall be a condition precedent to the right to continue in such form of organization; and if the corporation is not organized under the laws of this State, payment of said taxes shall be a condition precedent to the right to continue to engage in doing business in this State. The taxes levied in this article or schedule shall be for the fiscal year of the State in which said taxes become due.

SUBSECTION (b). Amend Section two hundred and two by adding at the end thereof a new subsection to be designated Subsection (g), which shall read as follows:

Franchise taxes on railroads.

(g) In determining the franchise tax of any railroad company now leasing its properties, there shall be excluded from the value of its properties all railroad properties being operated by